

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

29



SUBMITTAL DATE:
January 13, 2010

FROM: Economic Development Agency

SUBJECT: Third Amendment to Lease – Department of Public Social Services, Riverside

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify the attached Third Amendment to Lease and authorize the Chairman to execute the same on behalf of the County; and
2. Authorize the Auditor-Controller to adjust the Economic Development Agency's FY 2009/10 budget as set out on Schedule A.

BACKGROUND: (Commences on Page 2)

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, AUDITOR-CONTROLLER
BY: Susana Garcia 2/25/10
SUSANA GARCIA-BOCANEGRA

Lisa Brandl
Robert Field, Assistant County Executive Officer/EDA
by Lisa Brandl, Assistant Director, EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ (71,758)	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ (4,018)	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ -0-	For Fiscal Year:	09/10
SOURCE OF FUNDS: 59.1% Federal; 35.3% State; 5.6% County			Positions To Be Deleted Per A-30	<input type="checkbox"/>
			Requires 4/5 Vote	<input checked="" type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY: Jennifer U. Sargent
County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Buster, seconded by Supervisor Stone and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Stone, Benoit and Ashley
Nays: None
Absent: Tavaglione
Date: March 16, 2010
xc: EDA, DPSS, E.O., Auditor(2)

Kecia Harper-Ihem
Clerk of the Board
By: Kecia Harper-Ihem
Deputy

Prev. Agn. Ref.: 12/12/95, 3.12;
9/23/03, 3.19; 3/25/08, 3.13

District: 2

Agenda Number:

3.31

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

FORM APPROVED COUNTY COUNSEL
BY: Synthia M. Gunzel 1-26-10
SYNTHIA M. GUNZEL, Department of Public Social Services, Concurrency

Dep't Recomm.:
Per Exec. Ofc.:
 Consent
 Policy
 Consent
 Policy

Susan Loew, DPSS Director

BACKGROUND:

The Department of Public Social Services (DPSS) has occupied this facility located at 4260 Tequesquite Avenue in Riverside since 1995. The lease expired November 30, 2009, and the attached amendment is for a six-month lease extension. DPSS is currently reviewing their present and future program needs with regard to this location and this six-month lease extension will provide for the needed time to complete their analysis.

Location: 4260 Tequesquite Avenue
Riverside, CA

Lessor: Tequesquite Avenue Building
5055 Canyon Crest Drive
Riverside, CA 92507

Size: Approximately 25,253 square feet.

Term: Six (6) months.

Rent:	<u>Current</u>	<u>New</u>
	\$ 1.65 per sq.ft.	\$ 1.48 per sq. ft.
	\$ 41,494.96 per month	\$ 37,374.44 per month
	\$ 497,939.52 per year	\$ 448,493.28 per year

Savings per square foot:	12%
Savings per month:	\$4,120.52
Savings per 6 months:	\$24,723.12

Utilities: County pays telephone and electric. Lessor pays all other utilities.

Custodial: Included in Rent.

Maintenance: Included in Rent.

Improvements: None

RCIT: None

Market Data: 2002 Iowa Avenue \$1.45
3590 Central Avenue \$1.60

The attached lease amendment has been reviewed and approved by County Counsel as to legal form.

FINANCIAL DATA:

All associated costs for this Third Amendment to Lease will be fully funded through the DPSS budget. DPSS has budgeted for the original rent amount for the FY 09/10; however, the Economic Development Agency (EDA) requires a budget adjustment to its budget to cover related transactional costs with the property owner. While EDA will front the costs for this Lease with the property owner, DPSS will reimburse EDA for all associated lease costs.

SCHEDULE A

Decrease Appropriations:

10000-7200400000-526700 – Rent/Lease Buildings	(\$66,218)
10000-7200600000-529540 – Utilities	(\$ 3,030)
10000-7200400000-572500 – Intra – Leases	\$66,218
10000-7200600000-573800 – Intra – Utilities	\$ 3,030

Exhibit A

DPSS Lease Cost Analysis for FY 2009/10 4260 Tequesquite Avenue, Riverside, California

Total Square Footage to be Leased:

BUDGETED AMOUNTS

Current office:		25,253 SQFT		
Cost Per Sq. Ft:	\$	1.65		
Lease Cost per Month			\$ 41,495	
Total Lease Cost included in Budget for FY 2009/10			<u>\$</u>	\$ 497,940

ACTUAL AMOUNTS

Current office:		25,253 SQFT		
Approximate Cost per SQFT (July - Nov)	\$	1.65		
Approximate Cost per SQFT (Dec - May)	\$	1.48		
Lease Cost per Month (July - Nov)	\$	41,495		
Lease Cost per Month (Dec - May)	\$	37,374		
Total Lease Cost (July - Nov)			<u>\$ 207,475</u>	
Total Lease Cost (Dec - May)			<u>\$ 224,247</u>	
Total Lease Cost for FY 2009/10			<u>\$</u>	\$ 431,721
TOTAL LEASE COST SAVINGS FOR FY 2009/10			<u>\$</u>	\$ (66,218)

Estimated Additional Costs:

BUDGETED AMOUNTS

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month			<u>\$ 3,030</u>	
Total Estimated Utility Cost for FY 2009/10			<u>\$</u>	\$ 36,364
Tenant Improvement Costs		N/A		
RCIT Costs		N/A		
EDA Lease Management Fee (Based @ 3.79%)			<u>\$</u>	\$ 18,872
Total Estimated Additional Costs included in Budget for FY 2009/10			<u>\$</u>	\$ 55,236

ACTUAL AMOUNTS

Utility Cost per Square Foot	\$	0.12		
Estimated Utility Costs per Month	\$	3,030		
Total Additional Estimated Utility Cost for FY 2009/10 (July - May)			\$ 33,334	
Tenant Improvement Costs		N/A		
RCIT Costs		N/A		
EDA Lease Management Fee (Based @ 3.79%)	\$	16,362		
Total Estimated Additional Costs for FY 2009/10			<u>\$</u>	\$ 49,696
TOTAL ESTIMATED ADDITIONAL COST SAVINGS FOR FY 2009/10			<u>\$</u>	\$ (5,540)
TOTAL SAVINGS FOR LEASE COST FY 2009/10			<u>\$</u>	\$ (71,758)
Total Net County Cost of 5.6%			<u>\$</u>	\$ (4,018)

THIRD AMENDMENT TO LEASE
(Department of Public Social Services,
4260 Tequesquite Avenue, Riverside, California)

This THIRD AMENDMENT to Tequesquite Avenue Building Lease ("Third Amendment") is made as of November 23, 2009, by and between the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California ("County"), and **TEQUESQUITE AVENUE BUILDING**, a joint venture ("Lessor").

1. Recitals.

a. **TEQUESQUITE AVENUE BUILDING, a joint venture**, Lessor, and **COUNTY OF RIVERSIDE**, County, hereby agree to amend that certain Lease dated December 12, 1995 (the "original Lease") pertaining to the premises located within that certain building located at 4260 Tequesquite Avenue, Riverside, California, as more particularly shown on Exhibit "A", attached to the Lease as follows:

b. The Original Lease has been amended by:

i. That certain First Amendment of Tequesquite Avenue Building Lease dated September 23, 2003, by and between County of Riverside and Tequesquite Avenue Building (the "First Amendment").

ii. That certain Second Amendment of Tequesquite Avenue Building Lease dated March 25, 2008, by and between County of Riverside and Tequesquite Avenue Building (the "Second Amendment").

c. The Original Lease, as heretofore, currently, or hereafter amended, shall hereafter be referred to as the "Lease".

d. The term of the Lease, as heretofore amended, expired November 30, 2009. County and Lessor desire to further amend the Lease to extend the term of the Lease.

NOW THEREFORE, for good and valuable consideration the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

2. Capitalized Terms: Third Amendment to Prevail. Unless defined herein or the context requires otherwise, all capitalized terms herein shall have the meaning defined in the Lease, as heretofore amended. The provisions of this Third Amendment shall prevail over any inconsistency or conflicting provisions of the Lease, as heretofore amended, and shall supplement the remaining provisions thereof. The Lease remains in full force and effect except to the extent amended by this Third Amendment.

3. Extension of Term. The Term of this Lease is hereby extended six (6) months. The extended term will commence on December 1, 2009 and will expire on May 31, 2010 ("Extended Term"). May 31, 2010 shall hereafter be the "Expiration Date".

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1 **4. Rent During Extended Term.** County shall pay to Lessor the monthly sum as
rent for the Leased premises during the term of this Lease as indicated below:

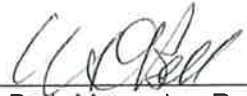
<u>Amount</u>	<u>Term</u>
\$37,375.00	12/01/09 – 05/31/10


4 **5.** All other provisions of the Lease remain the same.


5 **6.** This Third Amendment to Lease shall not be binding or consummated until its
approval by the County's Board of Supervisors.

7 Dated: MAR 16 2010

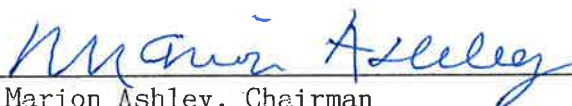
**TEQUESQUITE AVENUE BUILDING
a joint venture**

9
10 By: 
W. D. Bell, Managing Partner

11
12 By: 
Carol A. Stratford, aka Carol Anne Blake
Trustee, Milton W. Stratford and Margaret
Hoyt Stratford Trust

13
14 By: 
George A. Arzoo, Partner

COUNTY OF RIVERSIDE

15
16
17
18 By: 
Marion Ashley, Chairman
Board of Supervisors

19 **ATTEST:**
Kecia Harper-Ihem
Clerk of the Board

20
21 By: 
Deputy

22 **APPROVED AS TO FORM:**
23 Pamela J. Walls
County Counsel

24
25 By: 
Cynthia M. Gunzel
Deputy County Counsel

HR:jw
12/01/09
RV169
13.057